

Monthly records will be kept and submitted quarterly for the following: the volume of water pumped from each well, the volume of water consumptively used for mining uses projectwide, the amount of water discharged to reinjection, and the water level (static or pumping) of each permitted well and monitoring wells. These records will be submitted within 15 days after the end of each quarter.

Upon permanent cessation of all brine mining, all water granted under this permit and any subsequent changes, will revert back to the source from which it was appropriated, except for any water requirements needed for any mine closure plan and/or to mitigate any adverse impacts.

When no valid water right or injection permit from Nevada Division of Environmental Protection exist in this well, the well must be plugged within 30 days from that point in time pursuant to NAC 534.420.

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.

This permit is issued with the understanding that the consumptive use shall not exceed 381 acre-feet annually which represents 10% of the total amount of water to be pumped (3,810 acre-feet annually). The remaining 90% shall be reinjected back to the source.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second, **but not to exceed 381 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before:

September 23, 2004

Proof of completion of work shall be filed on or before:

October 23, 2004

Water must be placed to beneficial use on or before:

September 23, 2005

Proof of the application of water to beneficial use shall be filed on or before:

October 23, 2005


Map in support of proof of beneficial use shall be filed on or before:

October 23, 2005

IN TESTIMONY WHEREOF, I, HUGH RECCHI, P.E.

State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 23rd day of September, A.D. 2003

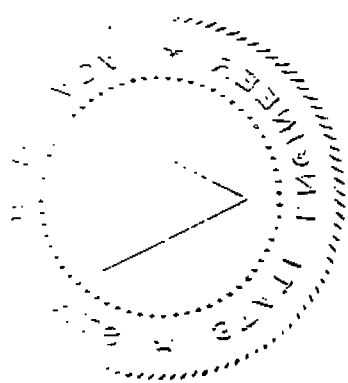

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



**APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE OF NEVADA**

Date of filing in State Engineer's Office JUL 20 2001

Returned to applicant for correction _____

Corrected application filed _____

Map filed AUG 13 2001

The applicant **Columbus S.M. LLC** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **4,240 cfs** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the SW¼ of the NW¼ of Section 3, T.2N., R.36E., M.D.M., or at a point from which the southwest corner of said Section 3 bears South 09°52'00" West a distance of 2750 feet.**
6. Place of Use **Sections 2, 3 & 4, T.2N., R.36E., M.D.M. and Sections 33, 34 & 35, T.3N., R.36E., M.D.M.. A maximum of 620 acres within the above described sections will be used to develop a mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 1** of each year.
8. Description of proposed works **Drilled well, pump and pipeline to mill site and reinjection wells.**
9. Estimated cost of works **in excess of \$100,000**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

12. Remarks: Water will be diverted, used in mill site and ultimately reinjected into the same aquifer from which it was removed. Nothing will be added to the water during its use.

By s/George G. Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared cmf/ cam dr/ cmf

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The State Engineer retains the right to regulate pumping from the brine project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights. No change in manner or place of use beyond this mining operation will be allowed.

Any water produced from this brine/lithium operation and not used for mining purposes must be re-injected back to the Columbus Salt Marsh Valley Groundwater Basin. The design of the re-injection system and the delivery system to the site shall be submitted to the State Engineer for approval prior to any diversion of water to reinjection. Upon completion of the reinjection program plan, prepare and submit a map to the State Engineer illustrating the location of the sites and delivery system. Any injection of water must have the necessary permits issued by the Nevada Division of Environmental Protection.

No water from this mining operation will be discharged to any natural surface drainages, surface playa or unlined impoundments unless specifically approved by the State Engineer.

The State Engineer will retain the right to require additional monitoring including water levels in observation and monitor wells and of the flow rates of surface sources. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis, but not less than two times per year.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the reinjection project.

(CONTINUED ON PAGE 3)